It is expected that remaining telephones will be provided by private operators.

(c) Yes, Sir.

(d) Following steps have been taken to provide more telephone connections in the rural areas, which are expected to help in bridging the digital divide;

(i) Large scale deployment of WLL network in rural areas has been planned.

(ii) Relaxation of the outdoor cable from 2.5 kms to 5.0 kms for landline Exchanges has been given.

(iii) Mobile network in all the highways, important towns, pilgrim centers and State Highways are deployed to give coverage to more areas.

(iv) Further, financial support is provided to the telecome operators through the mechanism of Universal Service Obligation Fund (USO Fund) to encourage them, *inter alia,* to provide phones in rural areas.

Share of MTNL/BSNL

† 4519. SHRI PYARELAL KHANDELWAL: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the share of MTNL and BSNL in the revenue earned through PCO installed throughout the country;

(b) whether it is a fact that a large number of PCOs of MTNL and BSNL have been closed during the last years;

(c) if so, the reasons therefor along with the loss likely to be suffered by both public sector companies out of their closure; and

(d) the details of the efforts being made by Government to contain the said loss?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) The percentage of share of PCOs in terms of countrywide revenue earned by the MTNL and the BSNL is 20.05% and 29.66% respectively.

(b) and (c) During last one year 20559 and 90058 PCOs have closed in MTNL and BSNL respectively. The reasons for closure of PCOs are given below:

(i) Non-payment of bills,

(ii) Franchisee getting employment who were earlier unemployed,

(iii) Franchisee shifting to some other city,

(iv) Churning to other private operators,

(v) Death of franchisee.

There is no considerable loss of revenue due to closure of PCOs. It gets compensated by opening of PCOs and traffic handled by closed PCOs gets diverted to other PCOs.

(d) Though there is no significant loss due to closure of PCOs, following steps have been taken to encourage the PCOs.:

(i) PCOs are allotted liberally to all applicants aged 18 years and above without any restricitions.

(ii) 10% of the exchange capacity has been kept reserved for PCOs to encourage opening of more PCOs.

(iii) Commission to the franchisees has been increased by BSNL to 25-35%. As per the new norms, the commission is payable on slab basis of metered call units.

Formation of Millennium Telecom Company

4520. SHRI SANJAY RAUT: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether MTNL has formed a subsidiary company known as Millennium Telecom Company;